



Farm Bill 2002

Questions and Answers

June 2003

Grassland Reserve Program

Q. What is the Grassland Reserve Program?

- A. The Grassland Reserve Program (GRP) is a voluntary program that helps landowners and operators restore and protect grassland, including rangeland and pastureland, and certain other lands, while maintaining the areas as grazing lands. The program emphasizes support for grazing operations, plant and animal biodiversity, and grassland and land containing shrubs and forbs under the greatest threat of conversion. The program is administered by USDA's Natural Resources Conservation Service (NRCS) and Farm Service Agency (FSA), in cooperation with the USDA Forest Service.

Q. What are the goals of the program?

- A. The program goals are to help conserve and protect two million acres of restored or improved grassland, rangeland, and pastureland by purchasing easements, entering into long-term rental agreements, and providing technical and financial assistance to participants for restoring the functions and values of grasslands and shrub lands.

Q. What land is eligible?

- A. GRP is available on private lands including: 1) Grassland or land that contains forbs or shrubs (including improved rangeland and pastureland); and 2) grassland or land that is located in an area that historically has been dominated by grassland, forbs, and shrubs and has potential to provide habitat for animal or

plant populations of significant ecological value if the land is retained in its current use or restored to a natural condition.

Incidental lands may be included to allow for the efficient administration of a rental agreement or easement.

Q. Is there a limit on the number of acres a landowner may enroll in the program?

- A. There is no national maximum limitation on the amount of land that may be offered for the program. However, there is a minimum requirement established in law. Offers for enrollment must contain at least 40 contiguous acres, unless special circumstances exist to accept a lesser amount. These special circumstances are determined by the NRCS State Conservationist.

Q. Who may participate in the program?

- A. Only landowners may submit applications for easements. Both landowners and operators may participate on rental and restoration agreements. Operators may participate on rental agreements only when they provide evidence that they will have control of the property for the length of the agreement and have landowner concurrence.

Q. Could the Adjusted Gross Income provision of the 2002 Farm Bill impact my participation in GRP?

- A. Yes, if you are an individual or entity that has an average adjusted gross income exceeding \$2.5 million for the three tax years immediately preceding the

application year, you are not eligible to receive program benefits or payments. However, an exemption is provided in cases where 75 percent of the adjusted gross income is derived from farming, ranching, or forestry operations.

Q. What enrollment options exist?

- A. Enrollment options are: 30-year and permanent easements; 10-year, 15-year, 20-year or 30-year rental agreements; and restoration agreements which may be used in conjunction with any easement or rental agreement.

Q. Who holds the easement?

- A. The Commodity Credit Corporation (CCC) holds the easement, unless the Secretary authorizes a private conservation or land trust organization or State agency to hold or enforce an easement. Provisions for delegating easement administration to a third party will be outlined in a future regulation.

Q. What are the requirements of the GRP?

- A. All enrollment options permit:
- Common grazing practices that maintain the viability of the grassland;
 - Haying, mowing, or harvesting for seed production, subject to certain restrictions during the nesting season, as determined by NRCS; and
 - Fire rehabilitation and construction of fire breaks and fences.

GRP rental agreements and easements prohibit: 1) Production of crops (other than hay) that require breaking the soil surface, as well as fruit trees and vineyards; and 2) any other activity that would disturb the surface of the land, except for appropriate land management activities included in a

conservation plan. Participants will be required to follow a conservation plan developed by NRCS (or a designated third party) and the participant to preserve the integrity of the grassland.

USDA will use a standard easement deed. Landowners who participate in an easement option agree to:

- Provide a written statement of consent to the easement from those holding a security interest or any vested interest in the land;
- Provide proof of clear title;
- Comply with other terms of the easement; and
- Provide access to NRCS or its representative for easement administration and monitoring activities.

Q. Is land enrolled in GRP subject to conservation compliance and swampbuster?

- A. Yes, persons interested in participating in GRP must meet the swampbuster and conservation compliance provisions.

Q. When is a restoration agreement developed?

- A. A restoration agreement is developed when the grassland functions and values of the land need to be improved. NRCS, working in conjunction with the conservation district and the participant, determines if a restoration agreement is a necessary part of the rental agreement or easement.

Q. How do I apply for the program?

- A. To participate, interested persons submit an application to their local NRCS or FSA office in the local USDA Service Center. Applications for the program are accepted at any time.

Q. How is the contract or easement value determined?

- A.** The value of an easement is determined through a professional appraisal. The landowner is paid the fair market value of the land, less the grazing value of the land. For 30-year easements or an easement for the maximum duration allowed under State or Tribal law, a landowner receives 30 percent of the fair market value of the land, less the grazing value of the land.

For 10-, 15-, 20-, and 30-year rental agreements, the participant receives not more than 75 percent of the grazing value in an annual payment for the length of the agreement. Grazing values will be determined based on local prevailing rental rates.

For More Information

If you need more information about GRP, please contact your local USDA Service Center, listed in the telephone book under U.S. Department of Agriculture, or your local conservation district. Information also is available on the World Wide Web at: <http://www.nrcs.usda.gov/programs/farmbill/2002/> and <http://www.fsa.usda.gov/dafp/GRP/default1.htm>



Visit USDA on the Web at:
<http://www.usda.gov/farmbill>

Note: This is not intended to be a definitive interpretation of farm legislation. Rather, it is preliminary and may change as USDA develops implementing policies and procedures. Please check back for updates.